14. Shri Rahul Bajaj, President, Confederation of Indian Industry — Member

15. Shri L. Lakahaminarayanan, Joint Secretary, M/o Info. Tech. — Convenor

IT Centre in Meghalaya

70. SHRI ONWARD L. NONGTDU: Will the Minister of INFORMATION TECHNOLOGY be pleased to state:

(a) whether Government have proposed to set up national level Infromation Technology Centre in Meghalaya;

(b) if so, the details thereof;

(c) if not, the reasons therefore; and

(d) what is the reaction of Government thereto?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN): (a) to (d) There is no such proposal under consideration of the Government.

Promotion of Information Technology Industries

71. SHRI PREM CHAND GUPTA: Will the Minister of INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that Information Technology, Software Development and Data Processing are considered to be sun rise industries in the coming future;

(b) what is India's share in this segment of the world trade; and

(c) what are Government's plans to promote such industries further?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND

THE MINISTER OF INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN): (a) Yes, Sir.

(b) At present India's share is about 1% of the World trade in IT.

(c) A Statement giving some of the key initiatives taken by the Government for the growth of the IT industry is enclosed.

Statement

The Government of India has set up the Ministry of Information Technology on 15.10.1999 to facilitate all initiatives in the IT sector including Internet, e-commerce, IT education and IT based education.

The Government has accepted the first report of the National IT Task Force outlining 108 recommendations of the IT Action Plan. These recommendations suggest measures and policies covering a wide spectrum of issues relating to telecommunication, finance, banking, revenue, commerce, electronics, HRD, defence and rural development to enable India to emerge as an Information Technology super power within the next ten years. A target of software export of US$ 50 billion by the year 2008 has been set. The Task Force has also recommended a goal of "IT for All" by 2008 in India. The second and third report of the Task Force address the issues and strategy for development of hardware industry, R&D in the area of IT, manpower training and education.

All Government Departments are required to spend 2-3% of their budget towards implementation of IT. To induce more investment in R and D in computers, a weighted deduction of 125% on the sums paid to any university, college or institution or a scientific research association for the purpose of scientific, social or statistical research has been provided.

Many States of India have drawn up comprehensive IT Plans and have come out with IT policies which will help in creating a conducive environment for high growth of high-tech industries.

Government of India has also formed a Rs. 100 crores National

Venture Capital Fund in association with the Small Industries Development Bank of India (SIDBI), Industrial Development Bank of India (IDBI) for the IT industry particularly for small and medium enterprises.

Penetration of Personal Computers (PC) in the country at present is slightly more than 3 per 1000 persons. The target is to increase the PC penetration to 20 per 1000 by the year 2008. To push the demand of PCs in the country, depreciation on computers has been increased to 60%.

Government has implemented Internet Service Providers (ISPs) Policy. ISPs are allowed to set up International Gateways and hire bandwidth on foreign satellites. Public and private sectors have been licensed to provide internet service in the country. No licence fee is payable for first five years and a nominal fee of one rupee is to be paid after five years. The internet policy approved by Government provides inter-connection of networks and setting up of international gateways by the internet service provider independent of VSNL. The infrastructure for Internet is proposed to be upgraded as below:

(a) Department of Telecom Services (DTS) is setting up national internet backbone in the country.

(b) Internet Service Providers are allowed to set up last mile linkages freely by fibre optic or by radio communication.

(c) The Internet access is also allowed through authorised cable TV.

The tariff for internet access has been recently reduced. DTS have recently offered 20% concession on rental for leased lines taken and used for internet applications. Students are being given one time conession on internet accounts by DTS. Access to internet on local call basis from the nearest internet node has been provided throughout the country except in Andaman and Nicobar Island and Leh (J&K). The existing departmental Public Call Operators (PCO) and Subscriber Trunk Dialing (STD) booths are proposed to be upgraded to public tele-info/cyber centres. These

centres will provide multi-utility services such as internet, e-mail access and internet libraries.

To provide the legal framework for transaction on Internet and e-commerce, Information Technology Bill, 1999 was introduced in the last session of the Parliament. Such a legal framework will facilitate and give a fillip to the e-commerce activities in the country.

Brain Drain in Infotech Sector

72. SHRI RAJNATH SINGH 'SURYA': Will the Minister of INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that most of our software engineers are leaving the country;

(b) if so, the steps proposed for curbing this outflow;

(c) what incentives Government are considering to promote indigenous equipment production; and

(d) what would be import component in expanding infotech sector in India?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN): (a) and (b) It is not correct that most of our Software Engineers are leaving the country. However, from time to time some engineers do leave because of better employment opportunities abroad. Government of India amongst other measures has been strengthening the infrastructure and promoting venture creation thereby encouraging IT companies to set up off-shore software development and IT enabled services. This is expected to provide better employment opportunities and also discourage engineers from going abroad.

(c) A statement is enclosed. (*See* below).

(d) The import component for the Infotech sector during the year 1999-2000 is estimated to be about Rs. 6,500 crores.